



Green Bond Framework 2025

SpareBank  Sogn og Fjordane

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About SpareBank 1 Sogn og Fjordane

SpareBank 1 Sogn og Fjordane («the Bank») was founded in 1988. The Bank has most of its corporate activity in the former county of Sogn and Fjordane, at the west coast of Norway. The Bank has 12 sales offices in the county and an additional office in Bergen. The Bank is the 7th largest saving bank in Norway and the dominant player in the local retail market with a market share of nearly 50%. As of year-end 2024, the retail lending portfolio is 51 billion NOK. In the corporate market, the Bank has provided 16 billion NOK in loans, primarily to businesses in Sogn og Fjordane and has over 35% market share in the region.

With roots back to 1842, the Bank has for more than 170 years been an important cornerstone for economic growth and opportunities in the region. Our vision is to be a driving force in Sogn og Fjordane, and we aim to fulfil this vision by providing good advice and supplying capital to sound commercial projects and private individuals.

SpareBank 1 Sogn og Fjordane have directly integrated sustainability and ESG in their work for nearly a decade. Already in 2015, the Bank had ESG considerations as part of its credit assessment. In 2019, the Bank issued its first Green Bond Framework, as one of the first banks in Norway. In the coming years, we have an ambition that at least 50% of issued bonds from the parent company shall be Green Bonds.

SpareBank 1 Sogn og Fjordane in numbers:
• Total assets: NOK 77.1 billion
• Number of employees: 302
• Share of green loans: 6%
• ROE: 13.8%

The SpareBank 1 Alliance

In November 2024, the Bank joined the SpareBank 1 Alliance and became SpareBank 1 Sogn og Fjordane (previously Sparebanken Sogn og Fjordane). Collectively, the SpareBank 1 Alliance is Norway's second-largest financial grouping, measured by capital under management. It consists of 12 independent savings banks, of which eight banks have established their joint management company, SpareBank 1 SamSpar 1 AS ("SamSpar"). Within the SpareBank 1 Alliance and SamSpar, there are several joint initiatives that strengthen the banks' sustainability efforts:

- A SpareBank 1 Alliance Sustainability Forum aligning the structure for the banks' sustainability work and ensure that sustainability factors are included in business

strategies, prioritization and decision-making processes.

- A dedicated ESG data hub team in SpareBank 1 Utvikling with the main purpose to support the banks' regulatory ESG reporting. The team also addressing prioritised business needs within ESG. The hub is identifying, collecting, sorting and delivering sustainability data.

- A SamSpar Sustainability Expert Council that serves as an advisory body for the board of SamSpar, consisting of a representative from each owner bank. The council's main tasks are to identify and put strategic sustainability issues on the agenda early and contribute with sustainability expertise into the strategic priorities.

Sustainability at SpareBank 1 Sogn og Fjordane

SpareBank 1 Sogn og Fjordane aims to be a driving force for sustainable development in the region. The Bank has a strong focus on promoting the green transition and supporting the shift to a low-carbon economy. The Bank's social mission is to support the economy and viability of the region, while also working to reduce both its own and its customers' emissions.

Recognizing the climate risks posed by the emission-intensive industries in the region, the Bank is working systematically to direct capital towards sustainable projects that facilitate the transition.

Through good advice, capital allocation to sound sustainable projects, and broad cultural engagement, the Bank seeks to fulfill its vision of being a driving force for the Sogn og Fjordane region. In 2024, the Bank distributed NOK 507 million in dividends and donations, some of which will support voluntary organizations and sustainable initiatives. Therefore, as a regional savings bank, we play an important role in the transition to a low-carbon economy.

SpareBank 1 Sogn og Fjordane's sustainability ambitions are to:

- To integrate sustainability into all areas of the Bank's business, so that our sustainability targets and climate risk become part of the day-to-day operations. This also means having a systematic focus on ESG in credit decisions and discussions with customers.

- To support customers through the transition by offering green financial products tailored to their needs. These include green mortgages, green home improvement loans and green business loans to support customers' efforts to reduce their carbon footprint.

• To build up the Bank's expertise on sustainability, so our customer advisors have the knowledge to provide good advice. We shall be a resource for local businesses and improve our customers' understanding of sustainability.

The Bank's Board of Directors has overall responsibility for the Bank's strategy and work on sustainability and delegates operational responsibility to the Senior Management Team. The day-to-day responsibility for implementing work on sustainability is handled by a dedicated sustainability unit.

The Sustainability Committee, with representatives from various departments across the Bank, meets every three weeks and acts as an advisory body with the aim to align the Bank's sustainability efforts. Together with the sustainability unit, they develop the sustainability strategy and monitor its implementation. Twice a year, the Senior Management Team receives a report on the status of the work on sustainability in order to ensure that sustainability is incorporated into the Bank's strategic goals. The Sustainability Committee also functions as the Sustainable Finance Committee, which oversees the selection of eligible projects/assets to be financed under the Green Bond Framework.

To help guide our work on sustainability, we report in line with GRI and TCFD. As an ECO-Lighthouse certified organisation, we also report our own emissions and estimate our financed greenhouse gas emissions using the method established by Partnership for Carbon Accounting Financials (PCAF) and Finance Norway's guidelines on estimating financed emissions.

Double materiality assessment and stakeholder engagement

SpareBank 1 Sogn og Fjordane updated its double materiality assessment in 2024. The assessment is following the requirement under the EU's Corporate Sustainability Reporting Directive (CSRD).

Drawing on wide-ranging consultation with internal and external stakeholders (e.g., employees, local communities, shareholders, customers, suppliers), the Bank has performed a thorough assessment that has established which material topics to prioritize and report on. Based on the assessment, the Bank has identified five material topics that all underpin its role as a responsible player in society, and which will form the basis for the Bank's future work on sustainability.

Material topics based on the European Sustainability Reporting Standard (ESRS)

E	Climate change (E1)	Climate change adaptation
		Climate change mitigation
		Energy/financed emissions
S	Own workforce (S1)	Working conditions
		Equal treatment and opportunities for all
		Other work-related rights
	Affected communities (S3)	Communities' economic, social and cultural rights
	Consumers and end-users (S4)	Information-related impacts for consumers and/or end-users
		Personal safety of consumers and/or end-users
G	Business conduct (G1)	Corporate culture
		Protection of whistle-blowers
		Avoiding corruption, bribery and money-laundering

Our climate actions

SpareBank 1 Sogn og Fjordane has set a goal of net-zero emissions in 2050 in accordance with Norway's climate target. For our own operations, we have set specific short- and long-term targets for Scope 1 and Scope 2, in accordance with the methodology outlined in the Science Based Targets Initiative (SBTi).

Year	Scope 1	Scope 2
2030	Net-zero emissions	55 % emission reduction
2040	-	90 % emission reduction
2050	-	Net-zero emissions

Greenhouse gas emissions from our lending portfolio account for the majority of our Scope 3 emissions as well as ~99 percent of our total emissions. Scope 3 targets are set in accordance with SBTi methodology for category 1-14. For category 15 we follow sector-specific pathways such as CREEM for real estate and IMO for maritime transport. Our targets on Scope 3 emission reduction, both short-term and long-term, therefore focus on the lending portfolio, as reducing these emissions have the biggest climate impact.

Year	Lending portfolio
2030	2.5 % yearly emission reduction
2050	Net-Zero emissions

Our climate transition plan focuses on the most climate-sensitive sectors in our lending portfolio, accounting for around 65 percent of our Scope 3 emissions and thus representing our biggest exposure to climate-related risk; commercial real estate, residential real estate, agriculture, fisheries, aquaculture, maritime transport

and construction. Specific targets and measures within each sector have been established to ensure progress towards our long-term goals and reduce exposure to climate risk.

Commercial real estate represents 37 percent of SpareBank 1 Sogn og Fjordane's corporate lending portfolio, and is the single largest sector the Bank finances. Our emission reduction target is set in accordance with the Paris-agreement aligned CRREM pathways. For Norwegian office buildings the requirement is a 44 percent emission reduction from 2020 levels by 2030. The target considers energy consumption of buildings (Scope 1 and 2), but could be expanded to also include Scope 3 emissions when data availability improves. Residential real estate is responsible for 75 percent of the Bank's total lending portfolio and thus a core activity. The CRREM reduction pathway for residential property requires a 48% reduction of emissions from a 2023 base year by 2030. This goal requires comprehensive energy efficiency measures and renovations for our customers homes. The Banks main actions to

reduce these emissions are collection of Energy Performance Certificates (EPC), green product offerings (e.g. green mortgage, energy efficiency loans) and active advisory.

We are in the start phase of collecting reliable emission data from our customers, and this will be crucial in the development of actions in the coming year and will enable us to heighten our ambition level for the lending portfolio. Enhanced knowledge and data quality, in combination with financing products and services that support the green transition will be key factors throughout our work across high-emitting industries. To provide a framework that supports and facilitates our work to reach these targets, we have established a climate transition plan. Further details on our climate transition plan can be found on our website .



Green Bond Framework

Through issuing Green Bonds, SpareBank 1 Sogn og Fjordane intends to contribute to the development of the green bond market while highlighting its Sustainability Strategy to capital markets participants. In addition, Green Bonds will help to diversify Sparebank 1 Sogn og Fjordane's investor base and to broaden dialogue to existing investors.

This Green Bond Framework is based on the Green Bond Principles, published by the International Capital Markets Association (2021) with an update in June 2022. The framework enables SpareBank 1 Sogn og Fjordane and the independent covered bond institute Sogn og Fjordane Bustadkreditt to issue Senior Preferred Bonds, Senior Non-Preferred Bonds and Covered Bonds. The variety of different formats and types will be referred to as Green Bonds throughout this document.

Use of proceeds





The net proceeds of the Green Bonds issued by SpareBank 1 Sogn og Fjordane will be used to finance or re-finance eligible assets in the form of loans that have been evaluated and selected by SpareBank 1 Sogn og Fjordane in accordance with this Green Bond Framework.





The eligibility criteria for the Green Loan Portfolio have been mapped against the different categories included in the ICMA GBPs and the relevant economic activities included in the EU Taxonomy Regulation (the "EU Taxonomy"), as well as the UN SDGs.

Exclusions

The net proceeds will not be allocated to gambling, pornographic material, disputed weapons production and weapons and ammunition producers/suppliers without government approval, tobacco companies, production of narcotics (if not meant for medical purposes) or related to direct fossil fuel energy generation and nuclear energy generation.

ICMA GBP category	Eligible asset and project criteria	
Green Buildings	<p>Loans to finance or refinance residential and commercial buildings in Norway that meet either of the following criteria:</p> <ol style="list-style-type: none"> 1. Buildings built in 2021 or later: Energy Performance Certificate (EPC) A or the primary energy demand (PED) of the building is at least 10% lower than the threshold for nearly zero-energy buildings (NZEB) in Norway. 2. Buildings built before 2021: EPC A or within the top 15% most energy efficient buildings in Norway in terms of PED. 3. Major renovations leading to an improved energy efficiency of at least 30%. For the full building to qualify after the renovation, it must meet the criteria above for buildings built either before or after 2021. <p>Buildings larger than 5000m² must have a demonstrated life-cycle Global Warming Potential and upon completion the buildings undergo testing for airtightness and thermal control.</p> <p>If the energy label certification is updated or a national definition for the top 15% most energy efficiency building becomes available within the period of this Green Bond Framework, SpareBank 1 Sogn og Fjordane will refer to the new definitions.</p> <p>Loans to buildings with direct fossil fuel heating or buildings in the oil and gas value chain are not in scope of this framework.</p>	<p>UN SDGs</p> <div>    </div> <p>EU Taxonomy 7.2 Renovation of existing buildings 7.7 Acquisition and ownership of buildings</p> <p>Environmental Objectives Climate change mitigation</p> <p>Natural resource conservation</p>

ICMA GBP category	Eligible asset and project criteria	
	<p>Buildings larger than 5000m2 must have a demonstrated life-cycle Global Warming Potential and upon completion the buildings undergo testing for airtightness and thermal control.</p> <p>If the energy label certification is updated or a national definition for the top 15% most energy efficiency building becomes available within the period of this Green Bond Framework, SpareBank 1 Sogn og Fjordane will refer to the new definitions.</p> <p>Loans to buildings with direct fossil fuel heating or buildings in the oil and gas value chain are not in scope of this framework.</p>	
Renewable Energy	<p>Loans to finance or refinance the construction or operation of electricity generation activities that meet either of the following criteria:</p> <ol style="list-style-type: none"> Produce electricity from hydropower and meet either of the following criteria: <ol style="list-style-type: none"> the electricity generation facility is a run-of-river plant and does not have an artificial reservoir; the power density of the electricity generation facility is above 5 W/m2; the life-cycle GHG emissions from the generation of electricity from hydropower, are lower than 50gCO2e/kWh. Produce electricity using solar photovoltaic technology. <p>Loans to finance or refinance infrastructure (transmission or storage) related to the above sources of renewable energy.</p>	<p>UN SDGs</p> <div>   </div> <p>EU Taxonomy</p> <p>4.1. Electricity generation from solar photovoltaic technology</p> <p>4.3. Electricity generation from wind power</p> <p>4.5. Electricity generation from hydropower</p> <p>Environmental Objectives</p> <p>Climate change mitigation</p>
Environmentally Sustainable Management of Living Natural Resources and Land Use	<p>Loans to finance or refinance agricultural activities or projects that meet the following criteria:</p> <ol style="list-style-type: none"> Renewable energy for local power generation: <ol style="list-style-type: none"> Solar PV installed on roof tops or on the ground at the farm (any ground installations must be brownfield or non-cultivated and forest-free fields). Bioenergy using locally sourced residues/ bio-waste as feedstock. Wind power (onshore wind turbines installed at the farm) Organic farming activities that are certified under the DEBIO certification scheme. Improved farming methods that meaningfully contribute to achieve greenhouse gas emission reduction targets set out in "Landbrukets klimaplan 2021-2030", with a documented effect demonstrated through, for example, the use of the 'Klimakalkulator'. 	<p>UN SDGs</p> <div>   </div> <p>EU Taxonomy</p> <p>Not included</p> <p>Environmental Objectives</p> <p>Biodiversity</p> <p>Natural resource conservation</p> <p>Climate change mitigation</p>

ICMA GBP category	Eligible asset and project criteria	
	Fossil fuel machinery and the industrial production of meat are not in scope of this framework. No farming activities that will lead to an increase in livestock herds will be financed under this framework.	
Sustainable aquaculture and fisheries	<p>Loans to finance or refinance aquaculture activities that meet either of the following criteria:</p> <ol style="list-style-type: none"> 1. Aquaculture facilities that are certified by the Aquaculture Stewardship Council (ASC) 2. Onshore aquaculture facilities with recirculating aquaculture systems (RAS) <p>Only aquaculture activities that use 100% sustainable and deforestation-free feed, certified through either the MarinTrust Standard or MSC (for the marine ingredients) and through ProTerra or RTRS certification (for the soy ingredients) or similar certification schemes with equivalent requirements can be financed under this framework.</p> <p>Loans to finance or refinance fishery activities certified by the Marine Stewardship Council (MSC).</p>	<p>UN SDGs</p> <div>   </div> <p>EU Taxonomy Not included</p> <p>Environmental Objectives Climate change mitigation</p>
Clean transportation	Loans to finance or refinance any electric transportation solutions/systems/processes with (e.g., fully electric vessels, light- and heavy-duty vehicles and construction vehicles/machinery), and any related/supporting infrastructure.	<p>UN SDGs</p> <div>    </div> <p>EU Taxonomy 6.3. Urban and suburban transport, road passenger transport 6.5. Transport by motorbikes, passenger cars and light commercial vehicles 6.6. Freight transport services by road 6.10. Sea and coastal freight water transport, vessels for port operations and auxiliary activities 6.15. Infrastructure enabling low-carbon road transport and public transport 6.16. Infrastructure enabling low carbon water transport 7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)</p> <p>Environmental objectives Climate change mitigation Pollution prevention and control</p>

Selection and evaluation of eligible projects

SpareBank 1 Sogn og Fjordane has designed and implemented a process to ensure that only projects aligned with the criteria set out above will be selected as Eligible Assets and Projects for its Green Bond issuances. To oversee the selection process, a Sustainable Finance Committee (SFC) has been established. The SFC will manage any future updates to the Framework and monitor the Eligible Green Loan Portfolio, including any extension to the list of eligible categories and changes in market developments, and oversee its implementation. The SFC will hold meetings at least on a quarterly basis, with more frequent meetings possible depending on specific circumstances.

The SFC consists of members from our sustainability unit, including the Sustainability Officer, Senior Credit Controller and Assistant Bank Manager from the corporate side, Assistant Bank Manager for the retail side, and Senior Business Development Officer.

The SFC follows the below process when selecting and evaluating Eligible Projects.

1. SpareBank 1 Sogn og Fjordane chooses potential Green projects and assets from each financing that are originated by SpareBank 1 Sogn og Fjordane according to the above criteria and proposed for selection by the business units. SpareBank 1 Sogn og Fjordane chooses potential Green projects and assets from each financing that are originated by the Bank according to the above criteria and proposed for selection by the business units. The selected assets are assigned to the “green registry”.
2. The SFC reviews the green registry on a periodic basis, and is responsible for checking the eligibility for each loan and consequently approving the list. The committee removes any ineligible loans from the registry.

SpareBank 1 Sogn og Fjordane will ensure that the advisors responsible for these loan processes have the proper training in order to register and track the loans that are provided. In addition, the credit policies for new green loans will be emphasized internally in the Bank, and for the relevant decision makers.

In addition to the criteria included in this framework, The Bank has implemented a thorough ESG assessment process for corporate customers with over NOK 3 million in credit. After applying for credit, companies must perform an ESG and climate risk assessment. This is split into two modules: one module at the customer level and another module for the individual loan. Both modules include a general ESG assessment and a specific section on climate-risk, as well as an industry-specific part which asks questions about ESG criteria

relevant to the industry in question. The analysis forms a key part of the Bank’s credit underwriting process and is vital to its efforts to avoid financial losses and stranded assets.

Management of proceeds

SpareBank 1 Sogn og Fjordane uses a portfolio approach to manage the proceeds of the Green Bonds. Management of proceeds will be based on the aforementioned “green registry”.

SpareBank 1 Sogn og Fjordane aims to allocate the proceeds from Green Bonds to a portfolio of loans that meet the eligibility criteria for use of proceeds and comply with the evaluation and selection process presented in the section above, the Eligible Loan Portfolio. The SFC will be responsible for the allocation process. SpareBank 1 Sogn og Fjordane aims to designate sufficient eligible loans in the Eligible Loan Portfolio to ensure that its outstanding balance of eligible loans always exceeds the total balance of all outstanding Green Bonds. For each new issuance, where necessary, additional eligible loans will be added to this Eligible Loan Portfolio to ensure sufficient and timely allocation of the incremental net proceeds. SpareBank 1 Sogn og Fjordane aims to have achieved full allocation of proceeds within 24 months of the issuance of a Green Bond. If during the life of the Green Bonds the Bank becomes aware that a loan no longer meets the eligibility criteria, SpareBank 1 Sogn og Fjordane will remove the loan from the Eligible Loan Portfolio and replace it, when necessary, to restore the balance as soon as reasonably practicable.

While any Green Bond net proceeds remain unallocated, SpareBank 1 Sogn og Fjordane will hold and/or invest the balance of net proceeds not yet allocated to eligible loans, at its own discretion, in its liquidity portfolio in money market instruments.



Reporting

To be fully transparent towards investors and other relevant stakeholders, SpareBank 1 Sogn og Fjordane commits to reporting on allocation and impact on an annual basis until no Green Bonds are outstanding under the Green Bond Framework. The report will be made available on Sparebank 1 Sogn og Fjordane's website, as a separate section in the Banks annual report. Where relevant, SpareBank 1 Sogn og Fjordane will seek to align the reporting with the latest standards and practices as identified by ICMA and the guidelines in the Nordic Public Sector Issuer's Position Paper on Green & Sustainability Bond Impact Reporting.



Allocation report

The allocation report will, to the extent feasible, include the following components:

- Total amount of Green Bonds issues by SpareBank 1 Sogn og Fjordane
- Total amounts allocated and share of unallocated proceeds
- Share of proceeds used for financing/refinancing
- Share of proceeds allocated to each of the project categories and sub-categories
- Descriptions and case studies of selected Eligible Assets and Projects financed

Impact report

SpareBank 1 Sogn og Fjordane will strive to report on the actual environmental impact of the investments financed by their Green Bonds, and be aligned with the portfolio approach described in ICMA's "Handbook – Harmonized Framework for Impact Reporting".

If/when actual impacts for some reason are not observable, or unreasonably difficult to source, estimated impact will be reported. The impact report will, to the extent feasible, also include a section on methodology, baselines and assumptions used in impact calculations.

ICMA GBP category	Eligible asset and project criteria
Green Buildings	<ul style="list-style-type: none">• Estimated annual energy consumption (kWh/m²)• Estimated % reduction of energy use• Average emission intensity of the Green Loan portfolio verses the relevant CRREM pathway threshold• Avoided GHG emissions (tCO₂e/year) compared to baseline
Renewable Energy	<ul style="list-style-type: none">• Annual renewable energy generation (MWh)
Environmentally Sustainable Management of Living Natural Resources and Land Use	<ul style="list-style-type: none">• Annual renewable energy generation (MWh)• Increase in area under certified organic or sustainable agriculture (ha and % of acreage farmed)• Farmland covered by farming methods that meaningfully contribute to achieve GHG emission reduction targets set out in "Landbrukets klimaplan 2021-2030 (ha or km²)"• Estimated avoided GHG emissions (tCO₂e/year) compared to baseline
Sustainable aquaculture and fisheries	<ul style="list-style-type: none">• No. of sites certified according to various certification schemes
Clean Transportation	<ul style="list-style-type: none">• Number of financed zero tailpipe vehicles/machinery• Estimated avoided GHG emissions (tCO₂e/year) from use phase compared to conventional mode of transport

External Review

Second Party Opinion

SpareBank 1 Sogn og Fjordane has engaged S&P Global Ratings to act as an independent external reviewer of this Green Bond Framework and the Eligible Assets and Projects. The assessment is included in the Second Party Opinion document, which is publicly available on SpareBank 1 Sogn og Fjordane's website.

Verification

SpareBank 1 Sogn og Fjordane may, on an annual basis, starting one year after issuance and until maturity (or until full allocation), request a limited assurance report concerning the allocation of the bond proceeds to eligible assets from an external party.

